June 4, 1971

SUBJECT: Interpretation of section 192.619(c)

FROM: TGC-20

TO: TSA-32

You have asked for an opinion on the effect the "grandfather" clause in §192.619(c) vis-à-vis the requirements in §§192.607 and 192.611 that an MAOP of a pipeline which is not commensurate with its present class location must be confirmed or revised in accordance with §192.611.

When Part 192 was issued, the preamble indicated the primary purpose of the "grandfather" clause was to avoid reductions of the existing MAOP's because the pipeline was only tested to 50 p.s.i.g. above MAOP or because the pipeline was operated at pressures above the design stress levels permitted under §192.619(a). However, the right conferred by this "grandfather" clause are somewhat circumscribed by the phrase "subject to the requirements of §192.611".

Section 192.611 was derived from provision in the ANSI B31.8 Code (850.42) which was specifically limited to pipelines in Class 2, 3, or 4 locations. Although this limitation was not included in section 192.611, we note that the provisions of that section can only be meaningfully applied to pipelines in Class 2, 3, or 4 locations. Nowhere in this section is there a reference to a pipeline in a Class 1 location.

Therefore, it is our opinion that pipelines in Class 2, 3 and 4 locations must have their operating pressures confirmed or revised in accordance with section 192.611. However, pipelines in Class 1 locations operated at pressures which are not commensurate with that class location, based on the design stress levels of section 192.619(a)(1), may continue to operate at their previous MAOP under the "grandfather" clause of section 192.619(c). In answer to your specific questions -- the first pipeline could continue operations at the stress level of 75% of SMYS; pressure in the second or third pipeline would have to be confirmed or revised in accordance with section 192.611.

William D. Broderick

DB/dal/192.619
71-06-04

May 20, 1971

Request for a Legal Opinion Concerning Continued Operation of Pipeline by §192.619(c) after April 15, 1971, due to the Language of §192.607(a)(2)

Chief, Technical Division

Chief, Regulations Division

The provision set forth in §192.619(c) allows pipeline operators to continue operation at their MAOP established during the five years preceding July 1, 1970, regardless of other requirements in §192.619 which might establish a lower MAOP. This is a "grandfather clause" so that certain pipelines in satisfactory condition would not have to reduce pressures and thereby reduce the amount of gas they could supply.

A quick review of the regulatory history of §192.619(c) indicates the requirement was not proposed in the NPRM (Notice 70-5C, Docket No. OPS-3E) nor in the document which was sent to the TPSSC as our "current proposal" on the section (§192.617, Page L-33). It first appeared in the final regulation and was based on wording suggested by Transco, TGT, and Mr. Burt Mast.

There were comments by AGA, SGA, INGAA, and others to the portion of the NPRM dealing with MAOP that, as it was written, the section would reduce the pressure on many lines which were not constructed and tested by today's standards. For instance, the section on MAOP for transmission lines requires a MAOP determined by dividing the test pressure by 1.1 in Class 1 locations whereas the code prior to 1952 required a test pressure of only 50 psig over the maximum operating pressure. This same question was discussed extensively by the TPSSC at their meeting of June 25, 1970, to review our "current proposal" (starting on Page 406 of the transcript). Mr. White suggested the inclusion of a "grandfather clause" due to the loss of throughput as presently written and stated that a pipeline operating for five years or more is as safe as one tested to 1.1 times the maximum operating pressure (Page 409 of the transcript, line 1). It was pointed out that operation over a long period of time at a certain pressure should establish the MAOP for that particular pipeline at that pressure.

The Federal Power Commission also pointed out in comments dated June 30, 1970, that a pressure reduction would result if present MAOP limits were maintained. They stated in part.

> "There are thousands of miles of jurisdictional intrastate pipelines installed prior to 1952 in compliance with the then existing codes, which could not continue to operate at their present pressure levels and be in compliance with proposed §192.617 (now §192.619).

> This Commission has reviewed the operating record of the interstate pipeline companies and has found no evidence that would indicate a material increase in safety would result from requiring wholesale reductions in the pressure of existing pipelines which have been proven capable of withstanding present operating pressures through actual operation."

I have covered the history of §192.619 in detail to indicate a strong desire to have contained in the regulations a "grandfather clause" so that existing pipelines in good condition could continue operating at levels not allowed for pipelines constructed after the effective date of the regulations.

This "grandfather clause" of §192.619(c) appears to be negated by the requirement in §192.607(a)(2) or at least is in conflict with it. The regulation requires operators who operate pipelines in excess of 40 percent of SMYS to determine before April 15, 1971, whether or not the hoop stress corresponding to the MAOP is commenserate [sic] with the present class location. It appears that a pipeline operating at a hoop stress greater than allowed by the regulations because said pipeline was in existence when the regulations became effective and is allowed to continue operating at the higher stress level by the "grandfather clause" of §192.619(c) could not comply with the requirements in §192.607(a)(2). The hoop stress is not commenserate [sic] with the present class location therefore the MAOP would have to be revised as required by §192.607(b).

I would appreciate a legal opinion to clear up this apparent conflict. Please indicate what the MAOP is on April 15, 1971, for pipelines indicated by the following examples:

1) A pipeline operating at a stress level of 75% of SMYS in a Class 1 location since April 15, 1966.

2) A pipeline operating at a stress level of 75% of SMYS in a Class 2 location since April 15, 1966.

3) A pipeline operating at a stress level of 72% of SMYS in a Class 2 location since April 15, 1966.

I would appreciate your opinion as soon as possible, since it may have some effect on the consideration of any possible rule change resulting from the May 12 hearing and the content of the NTSB report soon to be released on the Mobil incident in Houston, Texas on September 9, 1969.

Frank Fulton

DB/dal/192.619
71-06-04